Appendix A

ARIZONA

Ariz. Admin. Code R14-2-1201

Definitions

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14. "Total Service Long Run Incremental Cost" is the total additional cost incurred by a telecommunications company to produce the entire quantity of a service, given that the telecommunications company already provides all of its other services. Total Service Long Run Incremental Cost is based on the least cost, most efficient technology that is capable of being implemented at the time the decision to provide the service is made. * * * *

CALIFORNIA

***Rulemaking on the Commission's Own Motion*, R-93-04-003, Consensus Costing Principles /Basic Network Functions, at App. C (Cal. Pub. Serv. Comm'n Dec. 6, 1995)**

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Principle No. 1: Long run implies a period long enough that all costs are avoidable.

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Principle No. 6: Technology used in a long run incremental cost study shall be the least-cost, most efficient technology that is currently available for purchase. * * * *

Principle No. 7: Costs shall be forward-looking. * * * *

COLORADO

4 Colo. Code Regs. § 723-30-2.45(b)

The strict definition of total service long run incremental cost incorporates a forward looking concept which should, therefore, include the costs that the firm would incur today if it were to install its network from scratch. On the other hand, an estimate of total service long run incremental cost can be generated by assuming that the geographic locations of routes and possible switching locations are the same as those available to the firm today * * * *

ILLINOIS

83 Ill. Adm. Code Part 791.20

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(b) Long-run costs are the economic costs over a planning horizon long enough so that there are no sunk inputs or costs;

(c) * * * * Forward-looking costs ignore embedded or historical costs; rather, they are based on the least cost technology currently available whose cost can be reasonably estimated based on available data.

MICHIGAN

Michigan Public Service Commission, 1994 Report to the Governor and Legislature as Required by 1991 Public Act 179

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page 48 * * * * the Staff recommended the following

considerations related to formulating the definition of long-run incremental cost.

1. Long-run implies a period long enough that all costs are avoidable. * * * *

6. Technology used in a long run incremental cost study should be the least-cost, most efficient technology that is *currently* available for purchase. This assumes existing location of structural facilities, but allows for replacement with the most efficient, least cost technology. * * * *

7. Costs should be forward-looking. * * * *

OREGON

***Telecommunications Building Blocks*, Cost Report, Vol. I, Docket UM 351 (Or. Pub. Util. Comm'n July 1993)**

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page 12 * * * * Cost Principle #1 Definition of Long Run - Long Run implies a period long enough that all inputs are avoidable * * * *

page 13 Cost Principle #2 Choice of Technology - LRIC estimates should reflect the overall least cost technology for the network * * * *

WYOMING

Wyo. Rules and Regs., Pub. Serv. Comm'n, Util. Accom. Ch. 5, § 559

Forward-Looking Economic Cost Methodology.

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(c) The TELRIC of an element is the forward-looking cost over the long run of the total quantity of the facilities and functions that are directly attributable to, or reasonably identifiable as incremental to, such element, calculated taking as a given the incumbent LEC's provision of other elements.

(i) The TELRIC of an element shall be measured based on the use of the most efficient telecommunications technology currently available and the lowest cost network configuration, given the existing location of the incumbent LEC's wire centers.

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